Build-A-Bear Workshop® Fact Sheet

Background

The Build-A-Bear Workshop® concept started from Founder and Chief Executive Bear Maxine Clark's desire to re-invent retailing for the 21st century. The idea was a culmination of her years of retail experience and a desire to bring the fun back to shopping, the way Maxine remembered it when she was a child.

The "light bulb" went off for Maxine when she was on a shopping trip with her young friend, Katie, who was 10 years old at the time. It was the height of the Beanie Baby craze and Maxine and Katie were on a mission to find a certain stuffed animal. When the store didn't have the one they wanted, a disappointed Katie picked one up and said, "These are so simple, we could make these." What she meant was going home to start a craft project, but what Maxine heard was a bigger idea. Thus, she set out to create a company that would be unique and be of value to the industry for generations to come.

The mission of Build-A-Bear Workshop is to bring the teddy bear to life. A classic icon, the teddy bear brings to mind warm thoughts about childhood, friendship, trust, comfort and also love. Build-A-Bear Workshop embodies those thoughts in how business is run every day.

From the beginning, Build-A-Bear Workshop has been a fun place to work and play for associates in stores and in the corporate office, called World Bearquarters, in St. Louis. The company's corporate culture reflects that of stores- bright and fun with flexible, family-friendly policies. Additionally, the company is committed to making a difference in every community in which it operates. Build-A-Bear Workshop has always been a company with heart and has achieved success by putting the fun and the heart back into retailing.

Build-A-Bear Workshop strives to be wherever families go to have fun. After all, special stuff happens every day! Whether it is losing a tooth, performing in a dance recital, starting kindergarten or going to a first sleepover, Build-A-Bear Workshop has a furry friend for every occasion.

Today, Build-A-Bear Workshop is the leading and only global company that offers an interactive make-your-own stuffed animal retail-entertainment experience. There are more than 400 Build-A-Bear Workshop stores worldwide, including company-owned stores in the United States, Puerto Rico, Canada, the United Kingdom, and Ireland, and franchise stores in Europe, Asia, Australia, Africa, the Middle East, Mexico and the South America. Founded in St. Louis in 1997, Build-A-Bear Workshop is the leader in interactive retail. In 2012, the company continued its innovation with the introduction of a new store concept with an enhanced hands-on bear-making process and new interactive features. Build-A-Bear Workshop is incorporating the new store design elements into existing stores, in addition to opening new stores with this new concept.

Our Store Experience

Guests who visit a Build-A-Bear Workshop store enter a recognizable and distinctive teddy bear themed environment where store associates, known as Bear Builders, share the experience with Guests at each phase of the bear-making process.

At **Choose Me,** Guests are introduced to more than 20 stuffed animals to choose from, which soon becomes their new friend.

At **Hear Me**, Guests may select from several sound choices to place inside their stuffed animal to further personalize their new friend. Sounds range from popular hits from current music to animals sounds, or Guests may record their own voice to a Build-A-Sound.

At **Stuff Me,** with the help of Bear Builder associates, Guests fill their new friend with just the right amount of stuffing. Each Guest then selects a small satin heart – a Build-A-Bear Workshop trademark, adds to it his or her own love and wishes during a signature heart ceremony, and carefully places it inside their new furry friend.

At **Stitch Me,** the last seam is neatly pulled shut, nearly completing each new best friend. Before stitching the furry friend, the Bear Builder associate inserts a barcode, allowing it to hopefully be reunited with its owner if ever lost and returned to Build-A-Bear Workshop through our exclusive Find-A-Bear® ID program.

At **Fluff Me,** the Guest brushes the stuffed animal to make sure his or her new friend is well groomed.

At **Dress Me,** Guests may dress their new friend in the latest furry fashions.

At the **Name Me** computer, Guests answer several questions about their new furry friend, including the birth date and of course, its name. This information is used to create a personalized birth certificate for the stuffed animal.

At the **Take Me Home** station, Guests conclude their in-store bear-making experience and receive their customized birth certificate. Each new furry friend is then placed in their very own Cub Condo® carrying case.

Our Cub Advisory Board

Since 1997, Build-A-Bear Workshop has had a Cub Advisory Board, which is a group of children who offer their opinions about the company's products and services. The company is still in contact with many of the original Cub Advisors and continues to value their feedback. Kids offer inspiration by looking at the world differently and a source of wisdom beyond their years.

In 2012, a group of Cub Advisors and their parents provided suggestions and feedback to perfect the Build-A-Bear Workshop store of the future. The company recruited the families from the St. Louis area and interviewed the children to ensure they would be imaginative, articulate and highly engaged in the process. The kids and their parents shared feedback on their experiences with the new store elements and made suggestions to helped fine tune the overall bear-making process. The Cub Advisor's feedback allowed the company to test many different ideas before introducing these prototypes in stores.

Our Store of the Future

In 2012, Build-A-Bear Workshop revolutionized interactive retail once again by creating a newly imagined store that merges the hands-on bear-making experience with innovative technology that is central to how kids play today. The store enables Guests to further personalize their stuffed animals and

offers a different experience each time they visit. Innovation is a continuous process for Build-A-Bear Workshop and the company plans to introduce several new interconnected elements in the near future.

Our Digitally Connected Experience:

Today, kids are digitally connected like never before. As our Guests have embraced technology, so has Build-A-Bear Workshop. The company was the first to offer both real-world stores and a virtual world experience. At Bearville.com™, Guests bring their stuffed animals to life online for free using the code found on their personalized birth certificate. Unlike most standalone websites, Bearville.com connects with Build-A-Bear Workshop stores, buildabear.com, and the Build-A-Bear™ mobile application. Using a smart phone or tablet, Guests access the mobile optimized website for easy shopping on the go. They can also receive the latest news on products and promotions via app updates, emails, and SMS text messages.

Build-A-Bear Workshop has a rapidly growing social media presence. The company has over 2.4 million Facebook fans and engages with Guests through Twitter, Pinterest, Instagram, and YouTube. By interacting with Guests through a variety of platforms, the company provides valuable information to moms plus fun and games for kids of all ages.

Our Furbulous Fashions

Guests are able to express the true personality of their new best friend by choosing from hundreds of outfits and accessories. Build-A-Bear Workshop stays on the cutting edge of furry style by partnering with fashion leaders and brands from around the world. Further enhancing our furry style, Build-A-Bear Workshop works with a variety of partners, including Gwen Stefani's brand Harajuku, Hello Kitty®, Disney®, SKECHERS, Justice® and Girl Scouts of the USA. Furry friends can also suit up in officially licensed sports stuff. Build-A-Bear Workshop sells bear-sized MLB®, NBA and WNBA, NFL, NHL® and NASCAR® gear.

Wherever Families Go To Have Fun

In addition to traditional mall-based locations, Build-A-Bear Workshop extends its experience to places where families go to have fun. Brands include a make-your-own Fredbird Major League Baseball® mascot store at Busch stadium and various Build-A-Dino® stores.

Build-A-Party®

To provide the fun of making a furry friend to groups—birthday parties, scout troops, field trips, company outings and family reunions—Build-A-Bear Workshop offers a Build-A-Party® program. This exclusive service allows Guests to plan and customize their own party with pre-selected animals, clothes and accessories.

Empowering Kids to Make a Difference

Build-A-Bear Workshop believes in the teddy bear philosophy of being good people and good bears. Throughout its 16 year history the company has given Guests a voice to support causes that are important to them, helping children, families, animals and the environment. Since the company's inception, Build-A-Bear Workshop has donated more than $32 million to these causes.

Stuffed with Hugs™ is a charitable program of Build-A-Bear Workshop now in its twelfth year of helping kids in need around the world by providing teddy bears to children's causes. Since Stuffed with Hugs began in 2001, more than 350,000 teddy bears have been made and donated to children in need of a hug. Stuffed with Hugs partners have included adoption agencies, children's hospitals, firefighters and

police officers, the USO, American Red Cross, Ronald McDonald House, Marine Toys for Tots Foundation, The Salvation Army and other worthy organizations.

Huggable Heroes® is a program that was started in 2004 as a way to recognize and honor young people that have impacted their own neighborhoods, schools and communities by giving of themselves to others. Those selected as Huggable Heroes are featured in the Build-A-Bear Workshop Huggable Heroes calendar, receive a donation to their cause, and an educational scholarship. Over the course of the program, over 100 kids have been named Huggable Heroes and have collectively been awarded nearly one million dollars in donations and scholarships. In 2013, the Huggable Heroes program will celebrate its tenth year of honoring young people who do their part with heart. In celebration of this milestone, the 2013 Huggable Heroes with receive mentoring scholarship so the newest generation of philanthropists recognized by Build-A-Bear Workshop will be equipped with the tools they need to build a lifetime of public service.

Build-A-Bear Workshop also provides financial support for non-profit organizations throughout the country with grants from our corporate foundations. The foundations extend a helping paw to programs in the areas of children's health and wellness, literacy and education, the preservation of endangered animals and their habitats, domestic pets, disaster relief programs and environmental concerns. Some of the organizations who have benefited include St. Jude Children's Research Hospital, Autism Speaks, DonorsChoose.org, Juvenile Diabetes Research Foundation, Marine Toys for Tots Foundation, and the American Red Cross.

Award Winning Bears

Build-A-Bear Workshop continues to redefine the concept of mall-based entertainment retail. In doing so, the company has been recognized by the retail industry with numerous awards including the **FORTUNE 100 Best Companies to Work For® list** for the fifth year in a row in 2013 and the **Good Housekeeping Seal of Approval.** The company was also recognized for its newly imagined store concept with a **2012 WiredTrust Socially Safe Seal** and a **2012 Retail TouchPoints Customer Engagement Award**. For a complete list, visit the company's award-wining website at buildabear.com.

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